



**THE ISLAND REGULATORY AND
APPEALS COMMISSION**
Prince Edward Island
Île-du-Prince-Édouard
CANADA

Docket: UE21402
Order: UE06-06

IN THE MATTER of establishing rules
or procedures for determining the intensity of
the peak demand of a public utility.

BEFORE THE COMMISSION

on Monday, the 16th day of October, 2006.

Maurice Rodgerson, Chair
Weston Rose, Commissioner
James Carragher, Commissioner
Anne Petley, Commissioner

Order

Compared and Certified a True Copy

(Sgd) *Donald G. Sutherland*

Technical and
Regulatory Services Division

IN THE MATTER of establishing rules
or procedures for determining the intensity of
the peak demand of a public **utility**.

Order

WHEREAS subsection 6(5) of the *Renewable Energy Act* requires that the Commission establish or approve rules or procedures for the determination of a utility's intensity of peak demand;

AND WHEREAS the Commission has received and considered submissions from Maritime Electric Company, Limited (the "Company") respecting the establishment of such rules or procedures and has invited submissions from the public;

NOW THEREFORE, pursuant to subsection 6(5) of the *Renewable Energy Act*,

IT IS ORDERED THAT

the following rules or procedures for the establishment of the intensity of peak demand are hereby established:

1. The intensity of peak demand and the reduction in the intensity of peak demand due to demand side management initiatives shall be calculated as follows and shall be subject to the annual review of the Commission:
 - a) Determine the 2004 annual sales (GWh) and the annual firm peak (MW) of the utility as well as the corresponding load factor;
 - b) Calculate, using estimates, where necessary, of the reduction in the 2010 annual sales (GWh) due to the utility's DSM initiatives;
 - c) Add the calculated GWh amount from (b) above to the observed 2010 annual sales (GWh) of the public utility to obtain the estimated annual sales if no DSM initiatives had been undertaken;

- d) Calculate the estimated 2010 firm peak load if no DSM initiatives had been undertaken by using the estimated annual sales from (c) above and the 2004 load factor from (a) above;
- e) Calculate the percentage reduction in firm peak load due to DSM by subtracting the observed 2010 firm peak load from the estimated 2010 firm peak load (d) above and dividing by the 2004 firm peak load (a) above;

2. A sample of the calculations in 1 above is depicted below:

Sample Only	Energy (GWh)	Firm peak (MW)	Load factor (%)
2004 Maritime Electric firm load	1,056.9	178	67.6
Add estimated reduction in energy usage due to DSM	52.8		
Observed 2010 Annual Sales	1,109.8	186.9	
Annual sales in absence of DSM	1,162.6	196.3	67.6
Observed 2010 firm peak minus estimated 2010 in absence of DSM (196.3-186.9)		9.4	
% reduction due to DSM (9.4/178)		5.30%	

3. the Company shall forthwith file with the Commission the next phase of the DSM plan that outlines the Company's specific DSM initiatives;
4. the Company shall annually file with the Commission an application for approval of further DSM programs or initiatives as well as a report outlining the progress of all approved DSM initiatives in meeting the requirements of the *Renewable Energy Act*.

DATED at Charlottetown, Prince Edward Island, this 16th day of October, 2006.

BY THE COMMISSION:

(Sgd) *Maurice Rodgerson*

Maurice Rodgerson, Chair

(Sgd) *Weston Rose*

Weston Rose, Commissioner

(Sgd) *James Carragher*

James Carragher, Commissioner

(Sgd) *Anne Petley*

Anne Petley, Commissioner

NOTICE

Section 12 of the *Island Regulatory and Appeals Commission Act* reads as follows:

12. *The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it or rehear any application before deciding it.*

Parties to this proceeding seeking a review of the Commission's decision or order in this matter may do so by filing with the Commission, at the earliest date, a written Request for Review, which clearly states the reasons for the review and the nature of the relief sought.

Sections 13.(1) and 13(2) of the *Act* provide as follows:

13.(1) *An appeal lies from a decision or order of the Commission to the Appeal Division of the Supreme Court upon a question of law or jurisdiction.*

(2) *The appeal shall be made by filing a notice of appeal in the Supreme Court within twenty days after the decision or order appealed from and the Civil Procedure Rules respecting appeals apply with the necessary changes.*

IRAC140B(2005/1)